

**State of New Hampshire Insurance Department
56 Old Suncook Road
Concord, New Hampshire 03301**

**Paula T. Rogers
Commissioner**

BULLETIN

Docket No.: INS NO. 02-018-AB

TO: All Companies Writing Automobile Insurance

DATE: July 11, 2002

FROM: Paula T. Rogers, Insurance Commissioner

**RE: Private Passenger Automobile Insurance
Rating Plans**

Insurance carriers, producers and consumers have presented varying views to the Insurance Department regarding certain criteria used in rating plans and underwriting guidelines in the private passenger automobile market. This Bulletin addresses inconsistencies in company use of those criteria by outlining prohibited practices. This Bulletin is issued pursuant to RSA 412:14, 15, and 16 and will be effective September 15, 2002.

1. Not-At-Fault Accidents

The utilization of or reliance on any number of accidents as delineated in INS 1404.12 (d) (3) in the determination of an applicant's or insured's premium, regardless of how effected, whether by additional charge, by withholding of discounts, by declining award of credits, by tiering or re-tiering, by company placement, or otherwise, is prohibited. Furthermore, it is an unacceptable practice to assume that an accident shown on a motor vehicle record or other similar device is an *at-fault accident* until proof to the contrary is received from the applicant or insured, without clear and timely notice to the applicant or insured.

2. Lack of Prior Insurance

The utilization of or reliance on the *lack of prior insurance* in the determination of an applicant's or insured's premium, regardless of how effected, whether by additional charge, by withholding of discounts, by declining award of credits, by tiering or re-tiering, by company placement, or otherwise, is prohibited under the following situations:

- Applicants who were listed on a family member's policy;
- Applicants who are newly licensed operators;
- Applicants who have had, within the past 30 days, use of an insured company vehicle; or
- Applicants who are returning military personnel.

Lack of prior insurance may be used in other situations, but only if first filed with the Department, justified actuarially and approved by Department staff. The Department distinguishes between *lack of prior insurance* and *repeated lapses*. Use of *repeated lapses* continues to be an acceptable practice.

The Department wishes to communicate that any company deviation from Ins 1401.01 (ae) "Safe Driver Incentive Plan" must be of a clearly identifiable benefit to the consumer and is subject to Department approval.

Any company not in compliance with any of the above, will need to refile rates, rating plans, and underwriting guidelines on or before September 15, 2002.

Any questions concerning this Bulletin should be directed to Denise C. Lamy, Property and Casualty Compliance Manager at the New Hampshire Insurance Department at (603) 271-2261.